



The 2017 Financial Report of the Archdiocese of Toronto



ARCHDIOCESE IN ACTION

The Gospel is mobile. Ships, farms, universities, and prisons are some of the places to which we bring the Word of God. We are grateful to Catholics across the Archdiocese who have shared their time, diverse talents and resources to build a vibrant faith community. Below you will find details on how these gifts were put into action by the Archdiocese along with notes to elaborate on the statements. Please contact the Accounting & Finance Office at 416-934-0606 if you would like to review the combined financial statements as audited by PricewaterhouseCoopers LLP.

We thank all of our parishioners for helping us make the presence of Christ known throughout our community and across the world.

DIOCESAN BALANCE SHEET AS AT DECEMBER 31, 2017 AND 2016

	Assets*			Liabilities and Reserves*	
	2017	2016		2017	2016
Cash:					
On hand	\$1,110,541	\$1,473,418	Loans and payables	\$212,693,800	\$192,144,244
Short-term deposits	12,388,136	11,793,443			
Collateral for parish bank loans	34,471,540	25,352,119	Deferred revenue	23,341,996	15,158,566
	47,970,217	38,618,980			
			Reserves		
Investments	44,746,491	46,489,060	Parish bank loan guarantee	34,471,540	25,352,119
Loans, receivables, prepayments	192,585,420	171,158,817	Discretionary funds and other	9,953,740	9,943,619
			General reserves	4,841,053	13,668,310
Properties	38,657,730	38,889,392	Total reserves	49,266,333	48,964,048
Less: Amount expensed to general reserve	(38,657,729)	(38,889,391)			
	1	1			
Special diocesan collections pending disbursement	3,005,549	2,593,054	Special diocesan collections pending disbursement	3,005,549	2,593,054
Total assets	\$288,307,678	\$258,859,912	Total liabilities and reserves	\$288,307,678	\$258,859,912

* Amounts do not include assets, liabilities and reserves of parishes or other affiliated organizations within the Archdiocese of Toronto.

Assets

Cash: \$34.4 million of the \$47.9 million is collateral held by the bank for loans extended to parishes for construction and restoration work. Therefore, these funds are restricted from being used for other purposes.

Investments: \$44.7 million represents stocks and bonds reported at fair value. The income earned on investments is used to finance several of our ministries.

Loans, receivables, prepayments: Property loans to parishes account for \$170.9 million of the \$192.5 million reported, with the remainder being trade receivables, prepayments and accrued income.

Properties: \$38.6 million includes diocesan properties as well as land held for future parish sites.

Special Diocesan Collections: This \$3.0 million represents the remnant of special collections awaiting distribution at year-end e.g., Needs of the Canadian Church, Co-operative Mission Plan, etc. These are designated funds and are restricted from being used for any other purpose.

Liabilities

Loans & payables: The \$212.6 million has a few components. Namely, \$80.2 million of it represents building funds that parishes have deposited with the Archdiocese for future capital requirements, \$82.5 million are loans for capital projects, \$36.4 million represents trade payables, and \$13.4 million are designated diocesan funds.

Deferred revenue: The \$23.3 million includes \$8.8 million pledged for the Family of Faith Capital Campaign as well \$14.4 million in contributions from Catholic Cemeteries for future needs of the Archdiocese.

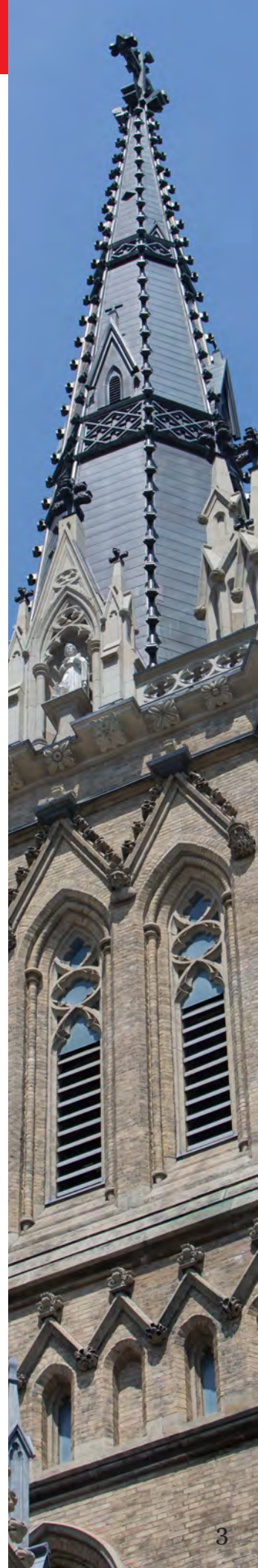
Special diocesan collections: \$3.0 million in liabilities represent the remaining balance of special collections awaiting distribution as described above.

Reserves

Parish bank loan guarantee: \$34.4 million represents collateral for bank loans to finance parishes' capital expenditures.

Discretionary funds and other: \$9 million constitutes funds set aside to meet special needs of the diocese e.g., purchase of future church sites.

General Reserve: The \$4.8 million is the accumulation of the diocese's net revenues and net losses over the years.



**DIOCESAN REVENUE, EXPENDITURES, AND GENERAL RESERVE
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
Revenue		
Parish assessment	\$10,872,255	\$11,124,601
Contributions, grants, other income	5,938,370	7,354,707
Investment income, interest, rents	3,770,613	4,280,943
Family of Faith Campaign	12,421,166	18,606,492
Donations and bequests	<u>458,630</u>	<u>661,831</u>
Total Revenue	33,461,034	42,028,574
Expenditures		
Pastoral services ¹	9,428,076	8,973,261
Chancery office ¹	5,361,929	5,802,541
Subsidies and assessments ¹	3,660,435	4,213,324
Office of Clergy & Chaplaincy ¹	2,169,120	2,423,231
Family of Faith: Pastoral Plan Priorities	5,237,540	15,003,355
Interest on borrowings	2,992,475	2,645,514
Family of Faith: Campaign Costs	1,423,287	1,601,694
Grants and donations	1,867,111	1,472,355
St. Augustine's Seminary	1,739,600	784,904
Regional Bishops' Offices	714,265	625,941
Maintenance of properties	<u>382,867</u>	<u>364,820</u>
Total Expenditures	34,976,705	43,910,940
Net revenue (deficit)	(1,515,671)	(1,882,366)
Plus: Change in fair value of investments	<u>1,576,173</u>	<u>2,007,594</u>
Excess (deficiency) for year	60,502	125,228
Plus: General reserve, beginning of year	13,668,310	15,176,098
Additions to (withdrawals from) general reserve:		
Parish bank loan guarantee	(9,119,421)	(215,150)
Property additions & restorations	<u>231,662</u>	<u>(1,417,866)</u>
General reserve, end of year	<u>\$4,841,053</u>	<u>\$13,668,310</u>

¹ Please see Statement of Diocesan Expenditures for details.



STATEMENT OF DIOCESAN EXPENDITURES FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Pastoral Services		
Hospital Chaplaincies	\$1,111,592	\$1,211,232
Office of Formation for Discipleship	803,163	745,324
Office for Refugees	744,912	700,335
Office of Public Relations & Communications	624,278	676,203
Office of Catholic Youth	571,773	493,615
Office of the Judicial Vicar	546,501	224,572
York University Chaplaincy	434,066	435,589
Office of Development	421,443	412,589
Office of the Permanent Diaconate	392,040	314,959
Office for Vocations	391,505	340,964
Archives	314,257	324,847
Television Ministry	310,494	311,436
Newman Centre - University of Toronto Campus	276,000	277,950
Other Chaplaincies	245,027	194,848
Ryerson University Chaplaincy	187,049	132,202
Office of Planning and Properties	182,388	150,946
Housing Ministry	182,388	150,946
Office for Marriage & Family Life	179,376	176,724
Volunteer Screening Initiative	165,814	154,457
New Beginnings	148,680	146,054
Catechesis of the Good Shepherd	125,917	93,127
Ministry to the Deaf	125,855	124,975
Parish Training Centre	121,597	179,158
University of Ontario Institute of Technology Chaplaincy	114,556	85,423
Latin Mass Celebration	113,984	113,194
Immigrant Peoples' Ministries	100,587	55,744
Inner City Apostolate	90,000	76,752
University of Toronto Chaplaincy - Scarborough Campus	86,006	76,949
University of Toronto Chaplaincy - Mississauga Campus	72,633	79,860
Co-operative Mission Plan	70,366	56,953
Airport Chaplaincy	70,241	70,945
Pastoral Mission	61,602	63,785
Migrant Workers' Chaplaincy	29,986	30,305
Madonna House	6,000	6,000
Native Peoples' Ministry	6,000	5,300
Serra House	0	278,999
	<u>\$9,428,076</u>	<u>\$8,973,261</u>
Chancery Office		
Salaries and benefits	\$2,843,492	\$2,767,979
Professional fees	631,603	1,007,621
Office and travel	1,430,193	1,285,369
Occupancy costs	227,277	222,152
Liturgical celebrations	229,364	519,420
	<u>\$5,361,929</u>	<u>\$5,802,541</u>
Subsidies and Assessments		
Matrimonial Tribunal	\$2,040,000	\$2,077,661
Other subsidies and donations	1,279,944	1,827,232
Assembly of Catholic Bishops of Ontario	226,059	270,542
Canadian Conference of Catholic Bishops	114,432	37,889
	<u>\$3,660,435</u>	<u>\$4,213,324</u>
Office of Clergy & Chaplaincy		
Education, sabbatical, other	\$1,653,305	\$1,918,325
Administration	515,815	504,906
	<u>\$2,169,120</u>	<u>\$2,423,231</u>

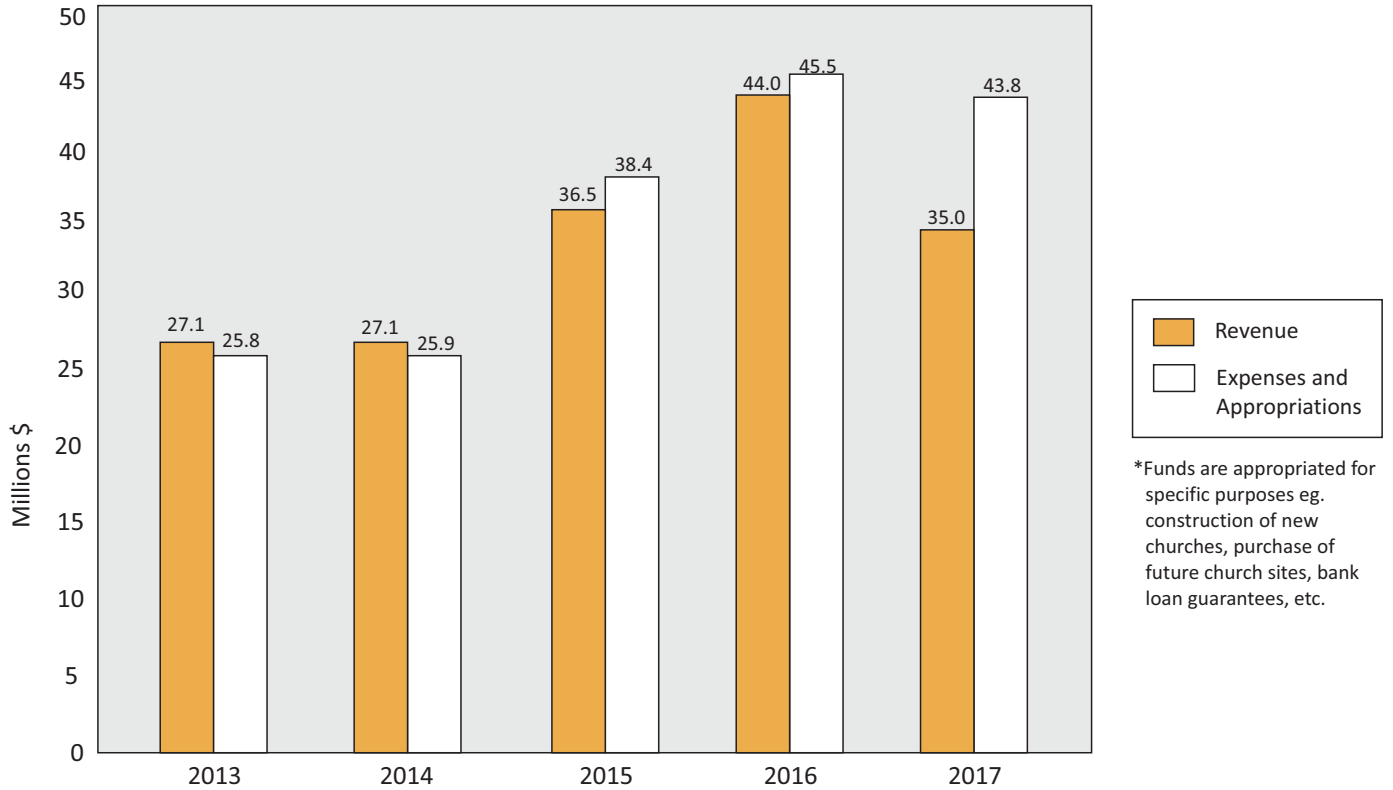


**PARISH REVENUES, EXPENDITURES AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

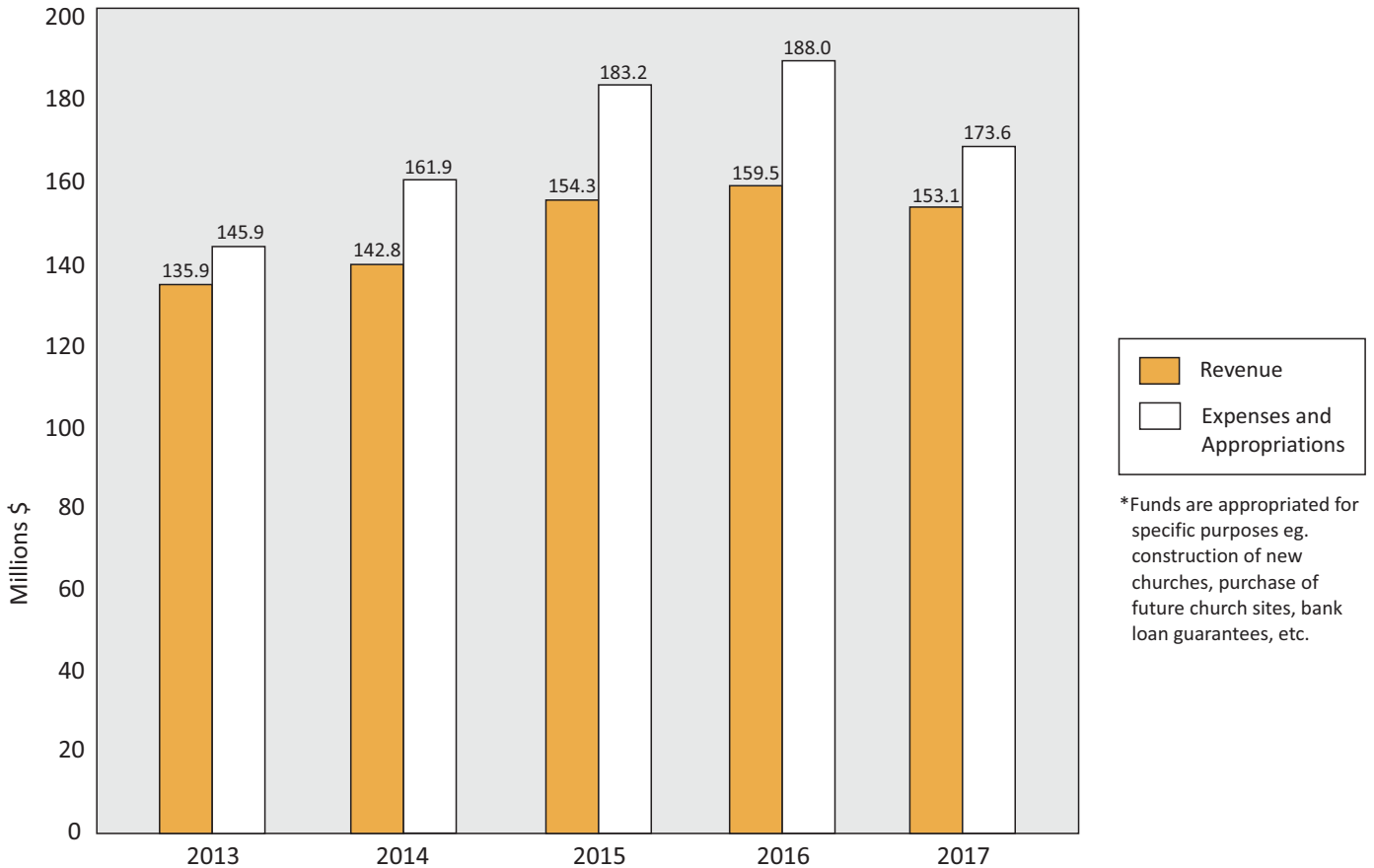
	2017	2016
Revenue		
Church receipts (includes offertory, bequests and hall revenue)	\$83,467,750	\$80,027,620
Parish programs & specified donations (includes building fund)	50,026,202	60,902,141
Investment income, interest, rents	3,769,319	3,175,421
Special diocesan collections (dedicated funds, includes humanitarian aid)	<u>15,910,270</u>	<u>15,438,244</u>
Total Revenue	153,173,541	159,543,426
 Expenditures		
Church expenses (e.g. salaries, supplies, utilities, music)	71,738,516	70,175,356
Parish programs, catechism & events	11,875,926	12,345,658
Diocesan & Shepherds' Trust assessments	14,448,354	13,653,718
Rectory expenses	4,697,050	4,385,260
Furnishing	2,258,017	2,063,297
Interest on borrowings	1,098,814	960,239
Special diocesan collections disbursed	<u>15,947,637</u>	<u>15,557,591</u>
Total Expenditures	122,064,314	119,141,119
 Excess of revenue over expenditures	31,109,227	40,402,307
Less: Expenditures on properties	<u>51,583,689</u>	<u>68,958,359</u>
Excess (deficiency) for the year	(20,474,462)	(28,556,052)
 Plus: Reserves, beginning of year	<u>(65,336,712)</u>	<u>(36,780,660)</u>
Reserves, end of year	<u>\$(85,811,174)</u>	<u>\$(65,336,712)</u>

Please note that this statement reflects the combined financial activity of all diocesan-owned parishes and missions.

DIOCESAN REVENUES, EXPENSES AND APPROPRIATIONS*



PARISH REVENUES, EXPENSES AND APPROPRIATIONS*





SUMMARY OF THE 2017 FINANCIAL STATEMENTS

Diocesan Revenue & Expenditures

The Archdiocese is financed by a portion of parishes' income ('Parish Assessment'), as well as donations and earnings on investments. These funds are then used to provide programs on a diocesan-wide level such as hospital & university chaplaincies, faith formation programs, and dedicated refugee resettlement workers.

Family of Faith Capital Campaign

The Archdiocese of Toronto embarked on a capital campaign to raise funds to strengthen our Catholic family by investing in programs for youth, catechism, vocations, evangelization, social justice, as well as building new and restoring existing churches.

In 2017, a total of \$24.6 million was received from the campaign outreach made to parishes. Of that figure, \$12.4 million was recognized in revenue to offset the costs incurred to run the campaign as well as specific campaign distributions that were made towards objectives of the [Pastoral Plan](#). As at December 31, 2017, the campaign had received a total of \$95.1 million.

Pledges from the campaign will be received over the next three years.

Parish Revenue & Expenditures

Parish revenues of \$153.1 million reflect a decrease of \$6.4 million from 2016 mainly due to a \$10.8 million decrease in grant allocations from the Family of Faith Campaign, and an increase of \$3.4 million in church receipts. Parish operating expenses increased \$2.9 million, mainly due to an increase in staff and program expenses. Net excess of revenue over expenditures decreased from \$40.4 million in 2016 to \$31.1 million in 2017. However, when capital expenditures of \$51.5 million for Cathedral restoration and parish construction are factored in, we have a deficiency of \$20.4 million for the year 2017.

Capital Expenditures

The Church takes care to provide both parishioners and visitors with welcoming, inspiring places to encounter the Lord and worship Him together. In 2017, \$51.5 million was incurred among 125 parishes, primarily the Cathedral, in restoration projects as well as the construction of new churches.

Parish Deposits with the Archdiocese

All buildings require upkeep and attention, including the House of God. It is the place in which we gather and from which we go out bearing the Good News. Parishes do their best to raise funds for future building and operational needs which they keep on reserve with the diocese until their need arises or they are able to proceed with a project. At December 31, 2017, 139 parishes maintained a reserve of \$67.5 million with the diocese (2016: 135 parishes, \$65.1 million). These funds are also used in the interim to assist other parishes in need of financing for current capital projects. An additional \$12.7 million in Family of Faith funds was held on reserve for 213 parishes (2016: 207 parishes, \$9.2 million).

Parish Debt

The Archdiocese has extended the following loans to parishes to help them address their pressing capital needs where they had a shortfall in building funds:

Bank loans to 55 parishes totalled \$34.4 million at year-end (2016 - 53 parishes; total: \$25.3 million). These loans are for the restoration or construction of parish properties and are backed by cash collateral from the Archdiocese, as noted on our balance sheet.

At year-end, property loans by the diocese to 55 parishes amounted to \$170.9 million (2016 - 49 parishes, total: \$152.1 million). These loans were extended for the purchase of parish land sites, restoration of parish property, and to assist in the construction of new churches. The increase in the balance of these loans is primarily due to the restoration of our Cathedral, one of the focuses of our Pastoral Plan.

Special Diocesan Collections

Parishioners generously contributed \$12.7 million towards the annual parish ShareLife appeal which supports such vital work as that done by Catholic Charities, St. Augustine's Seminary, the Office for Refugees, the Office of Catholic Youth, and mission churches in developing countries.

Parishioners also responded to the following needs identified by the diocese:

The Shepherds' Trust *	\$1,038,746
Co-operative Mission Plan	\$913,187
Holy Land	\$791,323
Humanitarian Relief	\$749,251
Propagation of the Faith	\$496,599
Canadian Missions	\$412,976
Marygrove Camp	\$394,870
Papal Charities	\$384,152
Needs of the Canadian Church	\$379,249

*We also received and transferred \$299,788 to Religious Orders whose priests serve some of our parishes.

Archdiocesan Finance Council

His Eminence Thomas Cardinal Collins is joined by the following professionals who volunteer on our Finance Council to ensure that your funds are spent in an optimal and responsible way:

Mr. James B. Milway (Chancellor, Temporal Affairs), Mr. William C. Dunlop (Comptroller), Mr. Robert Chisholm, Mr. Celeste Iacobelli, Ms. Colleen Johnston, Mr. Edward Sorbara, Mr. Tom Woods

Thank You

None of the above would have been achieved without the grace of God and the active participation of our parishioners who have been generous with their time, talents and resources. They have built not only a vibrant Archdiocese here but have reached out to make the light of Christ known across the world. We are most thankful to and celebrate our parishioners for serving their neighbours, both near and far.



Archdiocese
of Toronto

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